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IN THE UNITED STATES COURT OF APPEALS  
FOR THE NINTH CIRCUIT

PAYNE METAL ENTERPRISES,  
LIMITED, a corporation, and  
PAYNE MANUFACTURING COMPANY,  
LIMITED, a corporation,

Appellants,

vs.

JAMES E. McPHEE and ANCHOR  
PRODUCTS, INC., a corporation,

Appellees.

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APPELLANTS' REPLY BRIEF

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APPEAL FROM  
THE UNITED STATES DISTRICT COURT  
FOR THE CENTRAL DISTRICT OF CALIFORNIA

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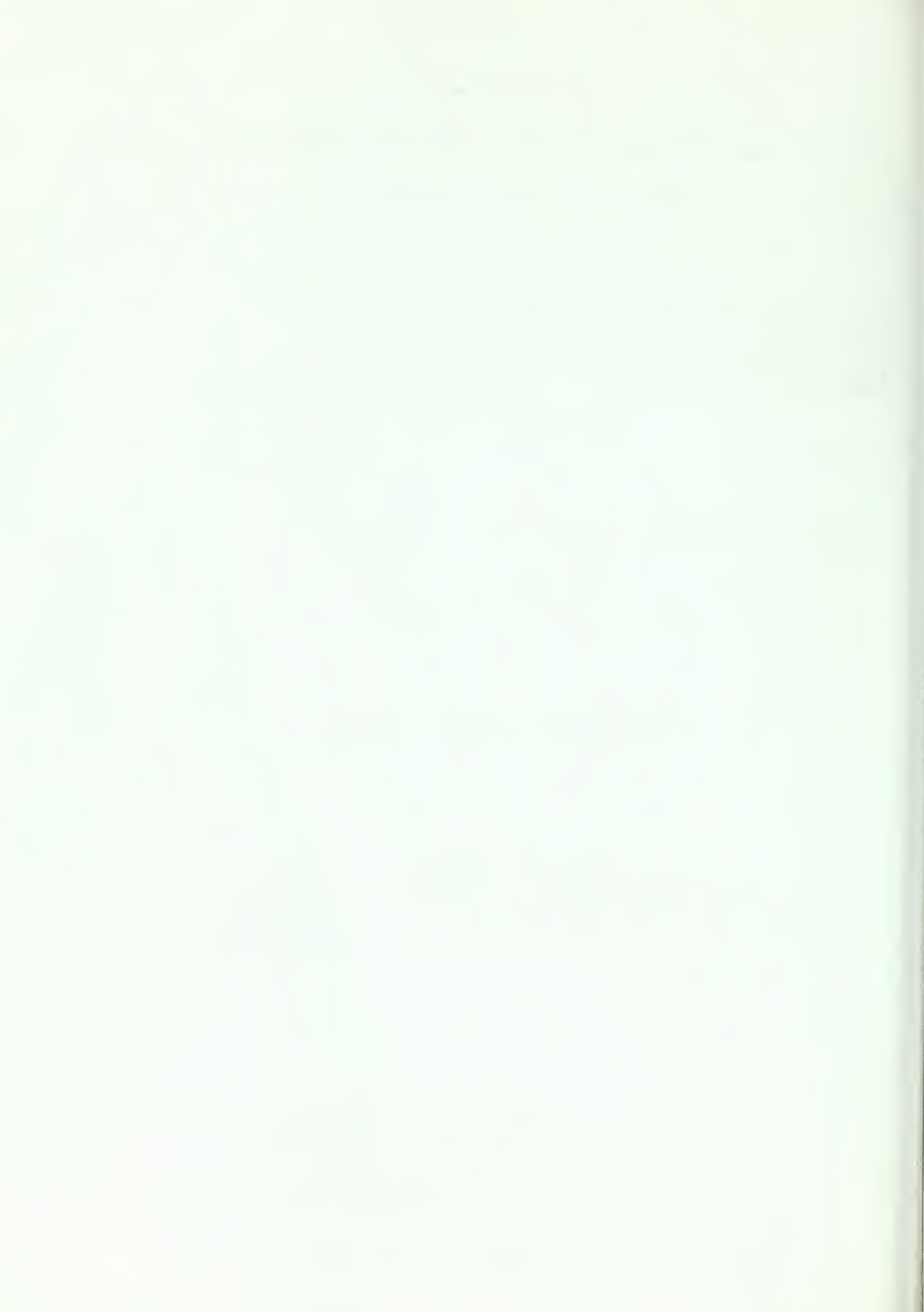
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APPELLANTS' REPLY BRIEF

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Appellants Payne Metal Enterprises, Limited, and Payne Manufacturing Company, Limited, hereby submit this Reply Brief under Rule 18(4) of the Rules of the United States Court of Appeals for the Ninth Circuit.

I

THERE IS NO PRESUMPTION THAT A DESIGN  
PATENT IS NOT OBVIOUS

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Appellees argue at length that the '986 design patent in issue here is presumed valid and that the presumption is strengthened by



the fact that the Patent Office considered the most pertinent prior art. Appellee's Brief, pp. 9-16, 21-25. But even if the Patent Office did consider the best prior art, the presumption of nonobviousness is not strengthened for the reason that, in effect, it never existed.

In the Report of the President's Commission on the Patent System (1966), the Commission, including Edward J. Brenner, Commissioner of Patents, recommended, in Part IV, that "all provisions in the patent statute for design patents shall be deleted, and another form of protection provided." Said the Commission (at page 12):

"The Commission believes strongly that all inventions should meet the statutory provisions for novelty, utility and unobviousness and that . . . [design patents] cannot readily be examined for adherence to these criteria.

"1. Designs: A patent now may be granted on any new, original and ornamental design for an article of manufacture. Despite the statutory requirement of unobviousness, patents on designs are now granted, in effect, solely on the basis of novelty. Courts often find these patents invalid on the ground that the design is obvious." (emphasis added).



## II

### THE McPHEE DESIGN DID NOT INVOLVE THE INVENTIVE FACULTY.

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In Smith v. Whitman, 148 U. S. 678 (1893) the Court said:

"But as remarked by Mr. Justice Brown, then District Judge for the Eastern District of Michigan in Northrup v. Adams, 2 Bann. & Ard. 567, 12 Pat. Off. Gaz., 430, which was a bill for the infringement of a design patent for a cheese safe, the law applicable to design patents does not materially differ from that in cases of mechanical patents, and "all the regulations and provisions which apply to the obtaining of protection of patents for inventions or discoveries . . . shall apply to patents for design." Sec. 4933.' And he added: 'To entitle a party to the benefit of the Act, in either case, there must be originality, and the exercise of the inventive faculty. In the one, there must be novelty and utility; in the other, originality and beauty. Mere mechanical skill is insufficient. There must be something akin to genius - an effort of the brain as well as the hand. The adaptation of old devices or forms to new purposes, however convenient, useful, or beautiful they may be in their new role, is not invention.' Many illustrations are referred to, as, for instance, the use of a model of the Centennial Building for paper weights and ink stands; the thrusting of a gas-pipe through the leg and arm of the statue







of a shepherd boy, for the purpose of a drop light; the painting upon a familiar vase of a copy of Stuart's portrait of Washington -- none of which were patentable because the elements of the combination were old."

\* \* \* \*

"The experienced judge by whom this case was decided conceded that the design of the patent in question did show prominent features of the Granger and Jenifer saddles, and united two halves of old trees, but he said: 'A mechanic may take the legs of one stove, and the cap of another, and the door of another, and make a new design which has no element of invention; but it does not follow that the result of the thought of a mechanic who has fused together two diverse shapes, which were made upon different principles, so that new lines and curves and a harmonious and novel whole are produced, which possesses a new grace and which has a utility resultant from the new shape, exhibits no invention.' And he held that this was effected by the patentee and that the shape that he produced was, therefore, patentable. But we cannot concur in this view.

"The evidence established that there were several hundred styles of saddles or saddletrees belonging to the prior art and that it was customary for saddlers to vary the shape and appearance of saddletrees in numerous ways according to the taste and fancy of the purchaser. . . . Nothing more was done in this instance (except as hereafter noted) than to put the two halves of these saddles together in the



exercise of the ordinary skill of workmen of the trade, and in the way and manner ordinarily done."

Likewise, McPhee merely put together the old elements in Fig. 1 of McPhee U.S. Letters Patent No. 2, 667, 290 and the old skirt 12 of the Maloney patent. If a person skilled in the art wanted to protect the cork 13 in Fig. 1 of McPhee's U.S. Letters Patent No. 2, 667, 290 or cover up the messy connection between a bottle top and the pourer, he would obviously modify Fig. 1 by adding the Maloney skirt.

A design patent is invalid if it is a minor modification of a prior mechanical patent. Cf. Alladin Plastics v. Jerrold Stephan, 362 F.2d 532, 150 USPQ 10, 11 (9th Cir. 1966), where the Court said:

"Design Patent No. D-192, 029 discloses a chair seat which has precisely the same shape as that disclosed in mechanical Patent No. 3, 034, 830, the only difference being that it is constructed of flexible material. Patent D-192, 029 may have been invalid under the rule recently applied in Bentley v. Sunset House Distrib. Corp., 359 F.2d 140, 149 USPQ 152, 156 (9th Cir. 1966), but we need not rest affirmance upon that ground. The minor modifications of size and curvature of prior art chairs reflected in the D-192, 029 design are insufficient to satisfy the tests of 35 U.S.C.A. §171."



Of course, if a person skilled in the art wanted to use "a real fine application of the die-casting process", he would flare the skirt exactly as shown in the design patent in suit. So, the resulting "pinched-in-waistline" and skirt that "flows freely away from the body", which are repeatedly emphasized in Appellee's Brief, are nothing more than an "inadvertent by-product" and any pleasing aesthetic effect was "a minor windfall". See Bentley v. Sunset House Distributing, 359 F.2d 140, 149 USPQ 152, 156 (9th Cir.1966).

Appellees devote only two pages of their brief, pp. 30-31, to the question of invention, which is now codified in 35 U.S.C. §103. Graham v. John Deere, 383 U.S. 1, 148 USPQ 459, 465-466 (1966).

"While the ultimate question of patent validity is one of law, A. & P. Tea Co. v. Supermarket Corp., supra, at 155, 87 USPQ at 307, the § 103 condition, which is but one of three conditions, each of which must be satisfied, lends itself to several basic factual inquiries. Under § 103, the scope and content of the prior art are to be determined; differences between the prior art and the claims at issue are to be ascertained; and the level of ordinary skill in the pertinent art resolved. Against this background, the obviousness or nonobviousness of the subject matter is determined. Such secondary considerations as commercial success, long felt but unsolved needs, failure of others, etc., might be utilized to give light to the circumstances surrounding the origin of the subject matter sought to be





patented. As indicia of obviousness or nonobviousness, these inquiries may have relevancy. See Note, Subtests of 'Nonobviousness,' 112 U. Pa. L. Rev. 1169 (1964)." (emphasis added).

Appellees did not offer any objective evidence that the design "was less obvious than it appears". Griffith Rubber Mills v. Hoffar, 313 F.2d 1, 136 USPQ 334, 338 (9th Cir. 1963); Zero Mfg. Co. v. Mississippi Milk Assn., 358 F.2d 853, 149 USPQ 70, 75 (5th Cir. 1966). Instead, they offered the testimony of their expert that the devices of the patent were "round, shapely, attractive objects", of which he would have been "proud if . . . [he] had designed it . . ." Appellees' Brief, p. 31. Clearly, a "pleasing appearance" is insufficient in the absence of invention. Brown v. DeBell, 243 F.2d 200, 113 USPQ 172, 173 (9th Cir. 1957); Patriarca Mfg., Inc. v. Sosnick, 169 F. Supp. 204, 120 USPQ 143, 146, 148 (S.D. Calif. 1958), aff'd, 278 F.2d 389, 125 USPQ 260 (9th Cir. 1960). This is especially true where one element of the design "is perhaps a refinement over prior structures" and the other elements are contained in or suggested by the prior art. Margarian v. Detroit Products Company, 128 F.2d 544, 53 USPQ 658, 660 (9th Cir. 1942). Nor is it sufficient that the design is "new and pleasing enough to catch the trade". Hopkins v. Waco Products, 205 F.2d 221, 98 USPQ 51, 53 (7th Cir. 1953). As the Court said in Langsett v. Marmet, 231 F. Supp. 759, 141 USPQ 903, 908 (W.D. Wis. 1964), "scores of progressive ideas in business are not patentable". The words of Mr. Justice Murphy in Dow Chemical v. Halliburton,





324 U. S. 320, 64 USPQ 412 (1945) are especially apt. Said he (at page 415):

" . . . He who is merely the first to utilize the existing fund of public knowledge for new and obvious purposes must be satisfied with whatever fame, personal satisfaction or commercial success he may be able to achieve. Patent monopolies, with all their significant economic and social consequences, are not reserved for those who contribute so insubstantially to that fund of public knowledge."

### III

#### THE FINDINGS OF INFRINGEMENT ARE CLEARLY ERRONEOUS.

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In Gorham v. White, 81 U.S. 511 (1871), the Supreme

Court stated that the test of infringement was the "eye of the ordinary observer". Said the Court:

"We hold, therefore, that if, in the eye of an ordinary observer, giving such attention as a purchaser usually gives, two designs are substantially the same, if the resemblance is such as to deceive such an observer, inducing him to purchase one supposing it to be the other, the first one patented is infringed by the other."

Accord: Reachi v. Edmond, 277 F.2d 850, 125 USPQ 265, 266 (9th Cir. 1960).



Appellees failed to call a single "ordinary observer". Instead, they called an "expert witness" and the District Court apparently felt bound by this expert testimony. Finding 26 states:

"26. Defendant's and counterclaimant's expert witness, Channing Gilson, an industrial designer, was the only qualified expert to testify. From Mr. Gilson's testimony we find that the accused liquor pouring devices created the same overall impression to the eye of the ordinary observer as the protected design of the McPhee patent in suit."

Appellees now argue that Mr. Gilson testified "not alone as a technician . . . , but as a consumer looking at a product for the first or second time [TR. 19, 58]". Appellees' Brief, p. 38.

Assuming that Mr. Gilson was able to put aside his experience as an industrial designer and testify as a "consumer", he nevertheless failed to use the "eye" of an ordinary observer. On the contrary, he used a "silhouette" test. In photographer's language, he compared the objects in backlight. And nowhere is there any evidence that "ordinary observers" view liquid pourers in backlight.

Mr. Gilson deliberately used an unreal test to eliminate depth perception and surface detail. Indeed, the word "silhouette" sounds suspiciously like industrial design terminology.

So, Mr. Gilson's testimony was worthless because (1) he was not an "ordinary observer", (2) he did not use the "eye" of an



ordinary observer" and (3) there was no proof of the pudding, i. e., that Mr. Gilson or anyone else was induced to purchase the Payne device supposing it to be the patented pourer. Even if Mr. Gilson's testimony is considered to be some evidence of infringement, that does not preclude a holding that the finding was clearly erroneous. As the Supreme Court said in United States v. Gypsum, 333 U.S. 364, 11 F.R. Serv. 52a., 42, Case 1 (1948):

"A finding is 'clearly erroneous' when although there is evidence to support it, the reviewing court on the entire evidence is left with the definite and firm conviction that a mistake has been committed."

See also 5 Moore's Federal Practice, Para. 52.03[1], p. 2616.

Since the only substantial evidence before the District Court was the patent drawings and the physical exhibits, Cf. Reachi v. Edmond, 277 F.2d 850, 125 USPQ 265, 267 (9th Cir. 1960), this Court should decide the issue of infringement by an independent analysis of the evidence. Burgess Vibrocrafter v. Atkins, 204 F.2d 311, 97 USPQ 366, 369 (7th Cir. 1953).

Appellants submit that the differences in the devices preclude a finding of infringement by this Court in the absence of any proof that an ordinary observer "purchased one supposing it to be the other".



Appellees' failure to find a single instance of confusion in the marketplace was the best possible evidence that there was and is no infringement. Cf. California Evidence Code §412.

Respectfully submitted,

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## CERTIFICATE

I certify that in connection with the preparation of this brief, I have examined Rules 18, 19 and 39 of the United States Court of Appeals for the Ninth Circuit, and that, in my opinion, the foregoing brief is in full compliance with those rules.

/s/ Thomas P. Mahoney  
THOMAS P. MAHONEY

